



Haoma Mining NL

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July 31, 2006

The Listing Manager Australian Stock
Exchange Ltd 530 Collins Street
MELBOURNE VIC 3000

Dear Sir,

ACTIVITIES REPORT FOR THE QUARTER ENDED JUNE 30, 2006 – HIGHLIGHTS

- **Group Consolidated Result** – Haoma Mining's unaudited Consolidated Financial result for the three months ended June 30, 2006 was a before tax loss of \$2.12 million after interest of \$0.32 million, depreciation and amortisation of \$0.14 million, group exploration, development and test work expenditure of \$0.18 million and the cost of share options issued \$0.64 million. The unaudited consolidated financial result for the year ended June 30, 2006 was a before tax loss of \$6.03 million after interest of \$1.12 million, depreciation and amortisation of \$0.62 million and group exploration, development and test work expenditure of \$0.71 million.
- **Processing at Bamboo Creek, Pilbara W.A.** – The Bamboo Creek Processing Plant is at present being re-commissioned. It is expected that processing of low grade Kitchener and Bulletin ore stockpiled near the plant will begin in mid-September at a processing rate of approximately 1000 tonnes per day.

There are approximately 1 million tonnes of low-grade ore and the same quantity of Bamboo Creek tailings

- **Old Man Prospect (ML1326), Ravenswood, North Queensland** – During the Quarter a detailed ground magnetic survey was conducted over the historical Old Man Mine area. The results of the survey showed the encouraging gold and copper intersections obtained in Holes OMRC17 & OMRC-18 correspond to a local high (red target) while the poor results recorded in Hole OMRC-13 appear to be due to the presence of an east-west trending structure shown as a green image (magnetic low). (See Figures 2 & 3) Clearly shown on the south side of the east-west structure is another discrete magnetic high (red target) which is still to be drilled as are a number of other indicated highs (red areas) lying to the north of the Old Man Mine area.

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1. GROUP CONSOLIDATED RESULT TO JUNE 30, 2006

Haoma Mining NL Consolidated Profit & Loss	2004/05 4th Qtr (\$m)	2004/05 Full Year (\$m)	2005/06 1st Qtr (\$m)	2005/06 2nd Qtr (\$m)	2005/06 3rd Qtr (\$m)	2005/06 4th Qtr (\$m)	2005/06 Year End June 30 (\$m)
Operating revenue	0.13	1.53	0.17	0.09	0.09	0.17	0.52
Operating profit before interest, depreciation, amortisation and exploration and development costs	(18.22)	(17.37)	(0.74)	(0.69)	(0.67)	(0.84)	(2.94)
Interest	(0.23)	(0.56)	(0.24)	(0.27)	(0.29)	(0.32)	(1.12)
Depreciation & amortization	(0.47)	(3.46)	(0.19)	(0.13)	(0.16)	(0.14)	(0.62)
Exploration, development & test work	-	(0.23)	(0.15)	(0.18)	(0.20)	(0.18)	(0.71)
Share options expense (*)	-	-	-	-	-	(0.64)	(0.64)
Operating profit (loss) before tax	(18.92)	(21.62)	(1.32)	(1.27)	(1.32)	(2.12)	(6.03)

Bamboo Creek Processing Plant							
Gold Production (ozs)		1,134	-	-	-	55	55
Gold sold (ozs)		1,134	-	-	-	55	55
Av. Selling price (\$/oz)		\$569	-	-	-	\$844	\$844
Bamboo Creek silver prod'n (oz)							
Silver Production (ozs)		497	-	-	-	12	12

(*) Share options not exercised expiring November 11, 2007 - exercise price of 10cents per share.

1.1 Haoma's Group Consolidated Result

Haoma's unaudited Consolidated Financial result for the three months ended June 30, 2006 was a before tax loss of \$2.12 million after depreciation and amortisation of \$0.14 million, interest costs of \$0.32 million, group exploration, development and test work expenditure of \$0.18 million and the cost of share options issued \$0.64 million. The unaudited consolidated financial result for the year ended June 30, 2006 was a before tax loss of \$6.03 million after interest of \$1.12 million, depreciation and amortisation of \$0.62 million and group exploration, development and test work expenditure of \$0.71 million.

Total group exploration, development and test work expenditure for the Quarter was \$470,000.

Funding for the company's ongoing operations is presently being provided by Haoma's Chairman, Mr Gary Morgan. Mr Morgan has provided an undertaking to the Board that he will continue to fund the company until such time as the company's operations become cash positive or until a decision is made to cease operations.

To June 30, 2006, Mr. Morgan has provided funding of \$14.18 million to Haoma. The Board of Haoma has approved payment of interest to Mr. Morgan at the 30 day commercial bill rate plus a 2% margin. Interest on the loan from Mr. Morgan will accrue until such time as the company is in a position to commence interest payments. Interest accrued for the 3 months ended June 30, 2006 on the funds advanced by Mr Morgan is \$285,829. Total interest accrued to June 30, 2006 is \$1.45 million.

1.2 Forward Gold Sale Contracts

No future gold production is currently sold forward.

2. OPERATIONS AT BAMBOO CREEK, WESTERN AUSTRALIA

2.1 Processing of Bamboo Creek Ores

The Bamboo Creek Processing Plant is at present being re-commissioned. It is expected that processing of low grade Kitchener and Bulletin ore stockpiled near the plant will begin in mid September at a processing rate of approximately 1,000 tonnes per day.

There are approximately 1 million tonnes of low-grade ore and the same quantity of Bamboo Creek tailings.

During the Quarter tests using the Elazac Process continued on determining the most efficient method of extracting gold into cyanide solution. The tests showed gold measured by the Aqua Regia assay method can be leached into cyanide solution.

3. EXPLORATION AND EVALUATION ACTIVITIES IN WESTERN AUSTRALIA

3.1 Cookes Hill (E45/1562, M45/1005, 1031, 1032, 1033, 1034, 1035, 1036)

The Cookes Hill Deposit comprises a dolerite-hosted quartz stockwork style of mineralisation. Exploration to date indicates that the gold lies on a north-east trending splay fault off the major Mallina-Mt Dove Shear intersection.

The Mallina Shear position is approximately 60km north east along the shear from the Camel/Withnell/Calvert Deposits where Range River Gold is at present mining and heap leaching gold bearing oxide ore. The Mt Dove Shear position is approximately 20km north east of the DeGrey Mining gold strike on the Mt Dove Shear at Brierly. See attached regional map provided by De Grey Mining, Figure 1A.

The Cookes Hill Deposit is estimated to contain approximately 60,000 ounces of gold to a depth of less than 100 metres. RC drilling indicated that the mineralisation is open below 100 metres. Preliminary metallurgical tests show that the gold is **not** refractory and most is recoverable by cyanidation after fine grinding.

A more detailed description of the ore body and a table of significant intersections were included in Haoma's Activities Report for the Quarter ended December 31, 2003 - http://www.haoma.com.au/2004/Q2_DEC2003.pdf

3.1.1 Tribute Agreement with BGC Contracting Pty Ltd to Mine Cookes Hill (ML 45/1005)

As advised, in the December 2005 Quarter a Tribute Agreement was completed with BGC Contracting Pty Ltd to mine dolerite from Haoma's Cooke's Hill Lease. Haoma will receive a royalty of 40 cents per tonne of dolerite mined. Mining of dolerite by BGC is subject to Fortescue Metals proceeding to build their railway line to Port Headland from the Cloud Break iron ore project in the Pilbara Region.

BCG Contracting have advised Haoma that if the contract with Fortescue Metals proceeds they expect to mine a minimum of 1.0 million tonnes of dolerite over ten months commencing in September 2006. Mining dolerite from Haoma's Cooke's Hill lease will result in stripping the top 20 meters above the Mallina-Mt Dove Shear intersection. This will allow Haoma to better understand the potential for additional discoveries of gold mineralisation in the surrounding area which has overburden of residual cover.

3.1.2 Turner River - Tabba Tabba Shear Zone (MLA 45/1034/1035/1036)

Haoma has previously referred to the extensive new discoveries by DeGrey Mining Ltd on its tenements that are adjacent to Haoma's Turner River Leases. DeGrey's June 30, 2006 Quarterly Activities Report includes further promising mineral discoveries from recent drilling in the Turner River Province on the Tabba Tabba Shear zone. The attached map prepared by DeGrey Mining (Figure 1B) shows the position of the multiple zones of zinc-silver-lead-gold-copper mineralisation which runs along the shear to the edge of Haoma's Turner River tenements. Soil samples on Haoma's tenements show areas where there are higher than background values of gold and zinc.

3.2 Daltons Joint Ventures (E45/2186, 2187)

3.2.1 Joint Venture with Giralia Resources NL and Falconbridge (Australia) Pty Ltd

The Daltons Joint Venture area is located 150 kilometres south of Port Headland in the Pilbara region of Western Australia (see attached Figures 1 to 5). The primary focus of Joint Venture activities is the identification of nickel and copper. Haoma has a 25% interest in the Joint Venture and retains the rights to all gold/silver and tantalum/tin mineralisation.

Falconbridge (Australia) Pty Ltd is funding accelerated regional exploration for nickel sulphide mineralisation at Daltons, excluding a 2.8 square kilometre area around the promising Kingsway prospect. Falconbridge can earn an initial 50% interest through expenditure of \$3 million within 5 years, and can increase its interest to 80% by meeting all expenditure up to completion of a positive feasibility study, or expenditure of a cumulative total of \$15 million, whichever occurs first.

Significant exploration activity was completed at Daltons during the Quarter, with drilling programs operated by both Giralia and Falconbridge.

Falconbridge advises that it has completed an initial program of geological mapping, prospecting geochemical sampling, ground EM surveys and drilling on a target outside the Kingsway excluded area.

During the Quarter Falconbridge completed a program of regional scale field follow-up of geophysical and remote-sensing datasets to confirm the extent and nature of ultramafic lithologies that may be favourable for nickel sulphide mineralisation. Emphasis was placed on establishing and tracing basal contacts of exposed ultramafic units. Approximately 80% of the ultramafic bodies on the Daltons property have now been prospected. The program identified several occurrences of gossanous material associated with the contacts of ultramafic lithologies and the surrounding sedimentary sequences. Maximum assay values for each gossanous unit sampled ranged between 0.22 – 0.51% Ni, with best assay results from a gossanous horizon ("East Gossan") near the eastern property margin at the structural base of a talc-tremolite schist horizon that is in contact with laminated quartzite metasediments.

A 450m x 1000m fixed-loop B-field SQUID sensor LandTEM survey was completed over an area including East Gossan and Ni-anomalous gossans discovered during the reconnaissance mapping program. Several weak to moderate conductivity anomalies were detected:

- The highest priority associated with the interpreted down-plunge continuation of the gossanous horizon at East Gossan; and

- A near-surface, steeply dipping conductivity anomaly associated with a tightly folded ultramafic sheet in an area of Fe-gossanous material (grab sample 0.51% Ni) on the northwest corner of the grid, approximately 700m northwest of the East Gossan. Falconbridge completed five diamond drill holes and one RC hole (water bore) during the Quarter for a total of 1,140metres drilled (including RC precollars and water bore).

Three diamond holes were completed targeting the interpreted down-plunge extent of the East Gossan (DCD06-001 to DCD06-003) and 2 diamond holes targeted in the areas of Ni-anomalous gossans to the northwest of East Gossan (DCD06-004 and DCD06-005).

- DCD06-001 was targeted 100 metres immediate down-dip of the surface Fe-gossan, but intersected the footwall sediment contact much shallower than expected within the RC precollar in heavily oxidised rock.
- DCD06-002 was targeted on the closest portion of the moderate conductivity response down-dip and to the west of the East Gossan but failed to intersect the talc-tremolite schist target horizon, passing from amphibolite into multiply folded sediment footwall. Nothing was intersected to explain the conductivity feature targeted.
- DCD06-003 was targeted approximately 250 metres down dip of the surface Fe-gossanous horizon and 150 metres down-dip of DCD06-001, and on the margin of the moderate conductivity response. Minor sub-metre widths of blebby disseminated and narrow stringer pyrrhotite and chalcopyrite to 10% sulphide were encountered near the sediment contact in DCD06-003 at 90 metres depth, with minor fracture controlled remobilised pyrrhotite-chalcopyrite sulphide veinlets observed within the underlying sediment.
- DCD06-004 was targeted on a steeply dipping moderate conductivity feature associated with an area of gossanous to lateritic folded peridotite approximately 700 metres north-west of East Gossan. No significant intersections of sulphide were observed, although several accumulations of pyrrhotite-chalcopyrite from trace to locally narrow intervals of 10% sulphide were intersected. One interval of 30cm of 30% po-cpy stringers at 89.5m down the hole is approximately coincident with the interpreted steeply dipping FLEM conductor. The hole intersected multiple interdigitations of coarse-grained, talc-carbonate altered olivine mesocumulate with variably schistose amphibolite.
- DCD06-005 was targeted on the down-dip extent of the best multi-element surface gossan assay result of 0.38% Ni, 0.44% Cu, 0.13% Co and 1.1% Zn, approximately 150 metres to the south of DCD06-004. The hole intersected multiple interdigitations of talc-tremolite schist and variable schistose amphibolite with several narrow intervals of trace to 15% sulphide disseminations and veinlets within heavily deformed schist horizons.

The drilling at East Gossan indicates the talc-tremolite schist unit hosting the Fe-gossan at surface is laterally discontinuous, pinching out and not intersected by DCD06-002 approximately 180 metres to the northwest. The contact between the mafic/ultramafic schists and underlying tightly folded sediments shallows to approximately 30 degrees from the expected moderate 50-60 degree dip expressed in surface outcrops. Assays are pending on the minor sulphide intersections encountered.

In early July, Falconbridge plans two RC holes to test the down-dip and lateral extent of the talc-tremolite schist host and the base of oxidation relative to the sediment footwall contact, one hole between DCD06-001 and 003, and one hole up-dip of DCD06-002, between the hole and surface outcrop of talc-tremolite schist on the sediment contact.

Falconbridge plans to survey holes DCD06-002, 003 and DCD06-004 with borehole EM in the September Quarter, and a "VTEM" airborne EM survey will be conducted in early August. The survey will cover approximately 85% of outcropping ultramafics on the property.

3.2.2 Joint Venture with Giralia Resources NL (at Kingsway) - Giralia 75%, Haoma 25%

The Farm-In Agreement with Falconbridge excludes a 2.8 square kilometre area around the promising Kingsway Prospect. The prospect comprises a 400 metre long basal contact segment at the northern tip of the 5 kilometre long Daltons ultramafic body which has been the focus of several phases of surface and down hole electromagnetic ("EM") surveys and drilling by the joint venture to follow up two 1970s drill intersections of 0.9 metres @ 9.3% nickel, 3.6% copper, (within 3.5 metres @ 2.55% nickel, 1.2% copper), and 0.7 metres @ 11.8% nickel, 3.1% copper (within 3.7 metres @ 2.41% nickel, 0.61% copper).

Giralia-operated diamond drilling followed up a significant late 2005 intersection of 3.5 metres @ 1.61% nickel, 0.85% copper, 0.81 g/t PGE in RDDN029. Mineralisation in RDDN029 is hosted by metasediments in the immediate footwall of a thick serpentinised ultramafic body, and occurs as fine disseminations and fracture controlled remobilised veinlets. The grade of the intersection (around 2% nickel equivalent) is significant as total sulphide content is relatively low (up to 10%) confirming the presence of highly enriched base and precious metal sulphides at Kingsway.

The intersection in hole RDDN029 is located 65 metres up dip of previous Giralia holes RDDN022 (which intersected 0.5 metres @ 1.98% Ni, 0.97% Cu, 0.42 g/t PGE, including 0.15 metres @ 5.82% Ni, 1.41% Cu, 1.35 g/t PGE) and 60 metres west of RDDN025 (0.2 metres @ 2.57% Ni, 1.42% Cu, 0.83 g/t PGE).

Two diamond drill holes were completed during the Quarter at Kingsway for a total of 758.4 metres. The holes were targetted at EM conductors and tested positions approximately 100 metres east and 80 metres west of the intersection position of RDDN029 on the basal contact of the Kingsway ultramafic. No significant sulphide intersections were returned.

Hole RDDN031, to the west of previous nickel intersections, encountered a thick sequence of graphitic black shales close to the interpreted conductor position, with a zone of disseminated sulphides recording 3 metres @ 0.15% copper, 0.25% nickel and 0.23% zinc. Unfortunately hole RDDN032 to the east of the strong intersection in RDDN029 deviated upward substantially and intersected the basal contact around 30 metres above planned position. The zone of >1% nickel at Kingsway remains open to the east and at depth.

TABLE OF INTERSECTIONS

Hole No	East	North	Incl/Az	Depth (m)	From (m)	To (m)	Intersection
RDDN031	724028	7621411	-58°/158°	372.2	275	278	3.0m @ 0.25% Ni, 0.15% Cu, 0.23 g/t Zn
RDDN032	724160	7621525	-60°/158°	386.2			No Significant Value

Datum AGD 84 Zone 50
PGE = Pt, Pd and Au

If Falconbridge complete the farm-in expenditure requirements detailed in 3.1.1 above, Haoma's interest in the Daltons Joint Venture will reduce to 12.5% upon completion of the first farm-in level and then to 5% if Falconbridge extend their interest in the Joint Venture to 80%. Haoma will retain a 25% interest in the Kingsway Joint Venture. Haoma will retain all rights to all gold/silver and tantalum/tin mineralization under both Joint Ventures.

3.3 Linden Tenements (E39/293, E39/379, E39/428, M39/385, M39/386, M9/387, M39/500, M39/629, M39/649, M39/650, M39/780, M39/781, M39/782, M39/794, M39/785, P39/2974, P39/2975, P39/2976)

During the Quarter, Haoma finalised negotiations with Deepstrike Resources Pty Ltd (formerly Western Manganese Pty Ltd) for the sale of Haoma's Linden tenements (E39/293, E39/379, E39/428, M39/385, M39/386, M9/387, M39/500, M39/629, M39/649, M39/650, M39/780, M39/781, M39/782, M39/794, M39/785, P39/2974, P39/2975, P39/2976).

Haoma received a deposit of \$50,000 in May 2006. A further instalment of \$100,000 is due on August 1, 2006. The balance of the consideration comprising \$350,000 and 5 million shares in Deepstrike Resources is payable when Deepstrike Resources successfully complete their application for admission and listing with the ASX.

4. EXPLORATION ACTIVITIES IN THE RAVENSWOOD DISTRICT - QUEENSLAND

4.1 Metallurgical Test Work of Area Samples

Work continued on the feasibility study to determine the viability of installing a small floatation plant to process Haoma's Ravenswood ore containing gold, silver, copper, zinc and lead. (See Figure 6 for location of deposits.)

A total of seven bulk samples (25kg each) were collected from the Waterloo, Wellington Springs, Podosky's, Copper Knob and Old Man Prospects and forwarded to Haoma's laboratory at Bamboo Creek (WA) for laboratory float tests. Where possible, separate samples of oxide and sulphide ore were collected and crushed to <10cm at the SGS Laboratory in Townsville before dispatching to WA. Analysis of representative splits of each sample gave the following results:

TABLE 1: ANALYTICAL RESULTS FOR METALURGICAL SAMPLES

Prospect	Au g/t	Ag g/t	Cu, %	Pb,%	Zn ppm	Mo ppm
Waterloo, Oxide	2.49	21	0.18%	0.46%	338	41
Waterloo, Sulphide	15.8	77	0.23%	4.28%	131	52
Wellington, Oxide	88.1	372	1.05%	3.77%	3110	43
Wellington, Sulphide	32.5	469	4.44%	1.53%	800	86
Podosky's, Sulphide	1.38	8	64ppm	-	304	13
Old Man, Sulphide	7.94	10	1.49%	0.02%	139	9
Copper Knob, Oxide	0.91	3	540ppm	-	2450	7

The information in Table 1 was compiled by Haoma's consultant, Mr Ron Furnell, who is a competent person under the JORC Code for reporting of Exploration Results and consents to the inclusion of the information in the form and context in which it appears.

4.2 Old Man Project ML1326

During the Quarter a detailed ground magnetic survey was conducted over the historical Old Man Mine area under the direction of Richard Bennett of Quadrant Geophysics Pty Ltd, Brisbane. (refer also to previous drilling results included in Appendix 2 of Haoma's March 2006 Quarterly Activities Report [March 2006 Activities Report](#). The survey mapped the extent of gold-copper mineralisation (and associated magnetite) under approximately 6m of residual soil cover.

The survey was based on a number of east-west oriented traverses spaced at approximately 20m intervals. Readings were collected at one second intervals using a GSM-19 rapid proton precession sampling magnetometer. Infill magnetic lines were surveyed over the existing drill site to gain additional detail information.

The structural data obtained from the survey will assist in guiding future drill programs

The results of the ground magnetic survey and three Old Man hole positions are shown in attached Figure 7. Figure 8 shows the magnetic survey results for the complete area surveyed. The Old Man Mine area is situated north-east of the letters "DON" on the 777600 northerly line. The results showed the encouraging gold and copper intersections obtained in Holes OMRC-17 & OMRC-18 correspond to a local high (red target) while the poor results recorded in Hole OMRC-13 appear to be due to the presence of an east-west trending structure shown as a green image (magnetic low). Clearly shown on the south side of the east-west structure is another discrete magnetic high (red target) which is still to be drilled as are a number of other indicated highs (red areas) lying to the north of the Old Man Mine area.

4.3 Exploration Permit Reports for EPM 8771, EPM 14038 and EPM 14297

Annual Mines Department Reports for EPM 8771-Barrabas, EPM 14038-Robe Range and EPM 14297-Burdekin Gold were completed. The reports have been lodged with the Mines Department in Brisbane.

5. HAOMA MINING ASX RELEASES

Any person who would prefer to receive Haoma ASX Releases by email is advised to email Haoma Mining at haoma@roymorgan.com or telephone the Company Secretary on (03) 92245142.

Yours sincerely,



Gary C Morgan
CHAIRMAN

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Figure 1A - Turner River Region Map

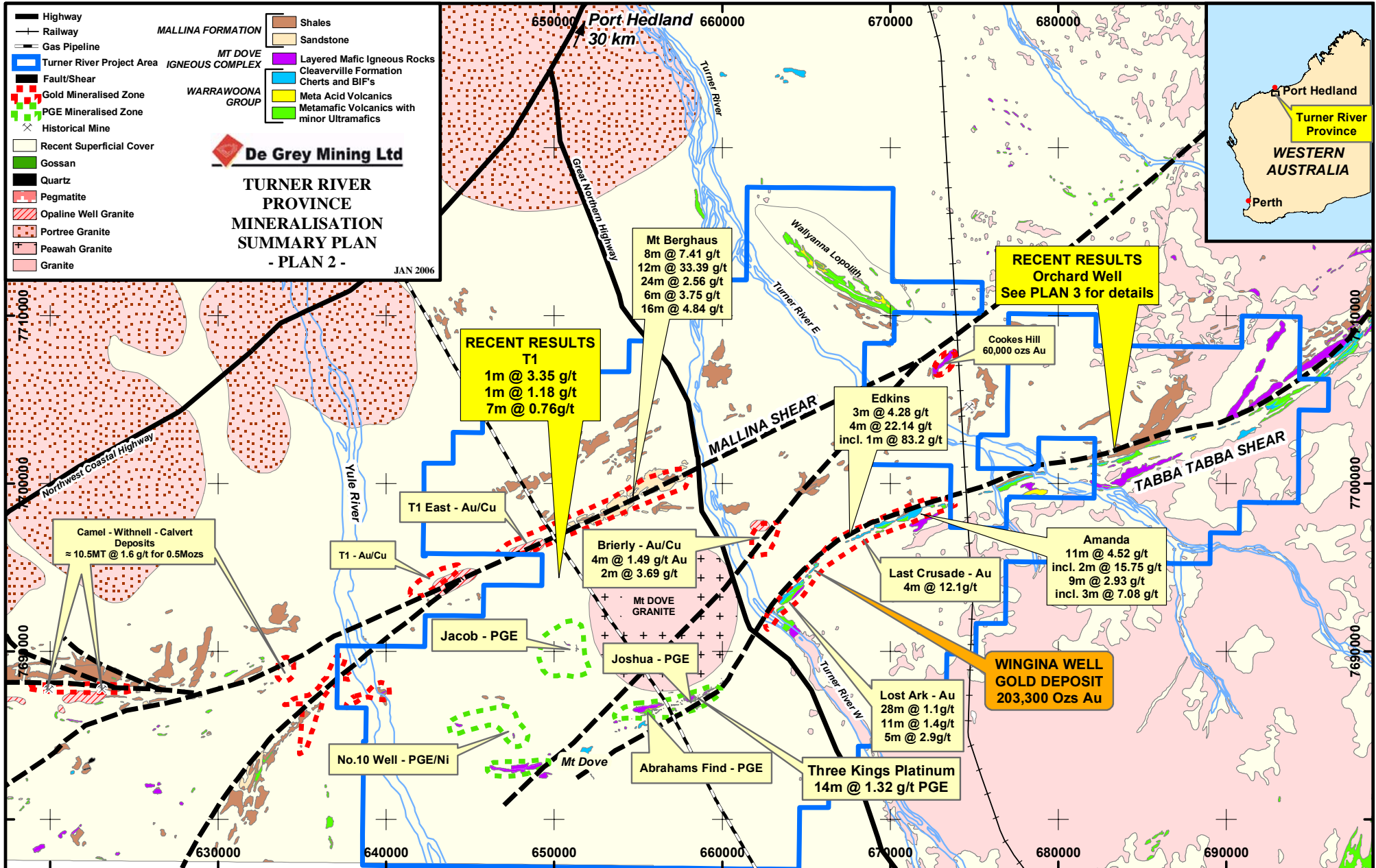
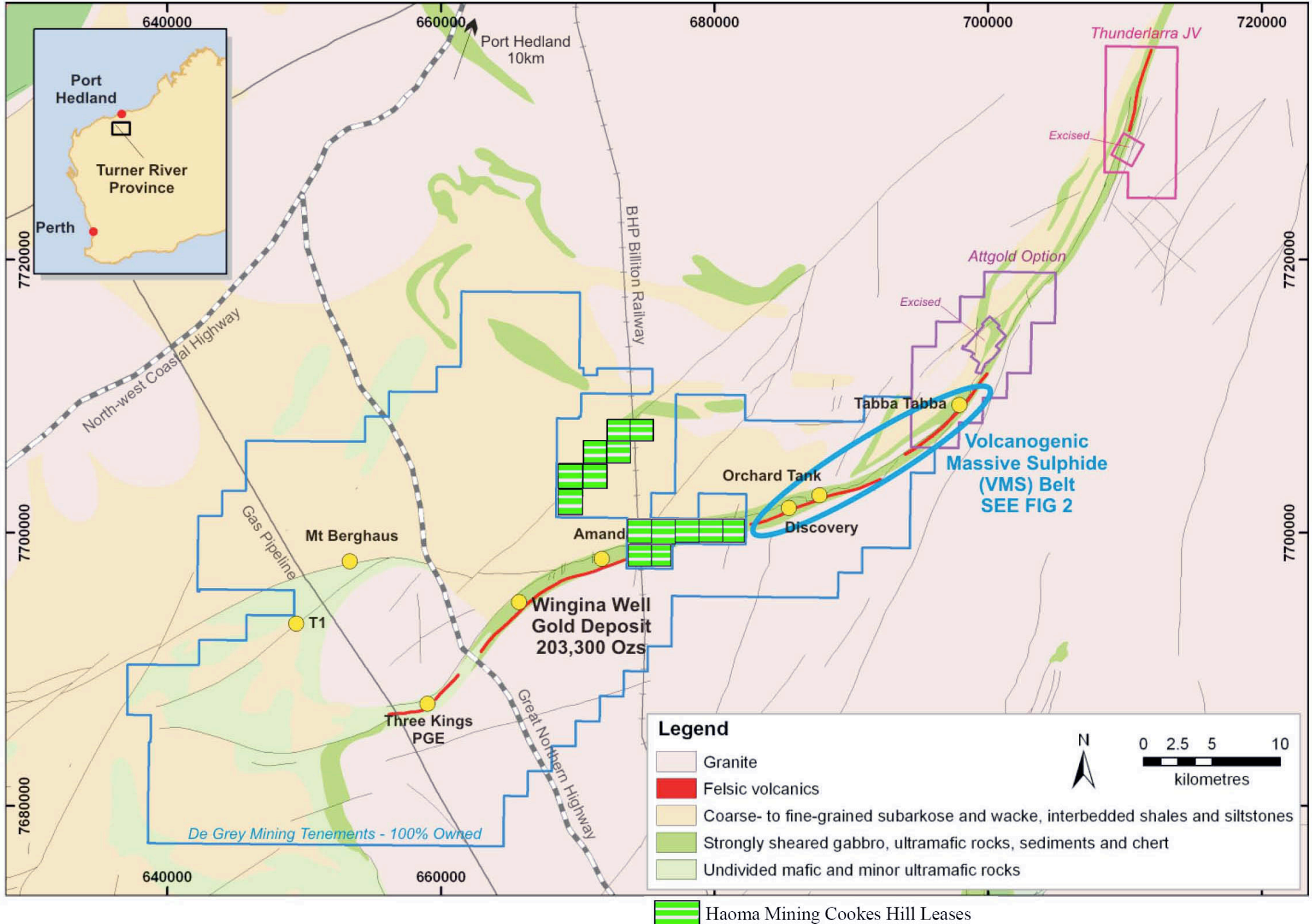


Figure 1B - Turner River - Tabba Tabba Shear Zone

- TURNER RIVER PROVINCE - GEOLOGY & INFRASTRUCTURE



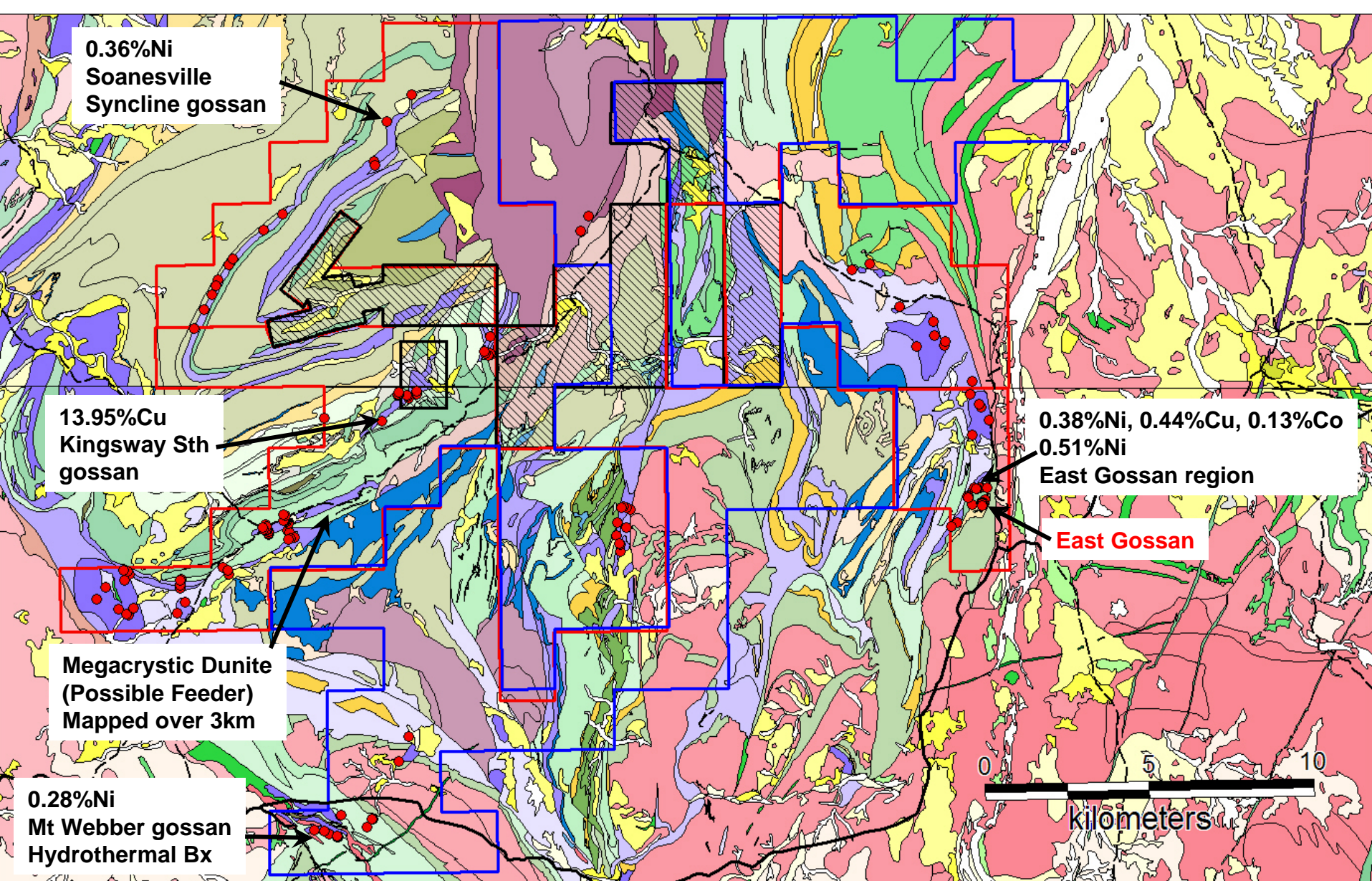


Figure 1: Daltons Creek –2006 recon sampling program. Summary of Significant sample assays

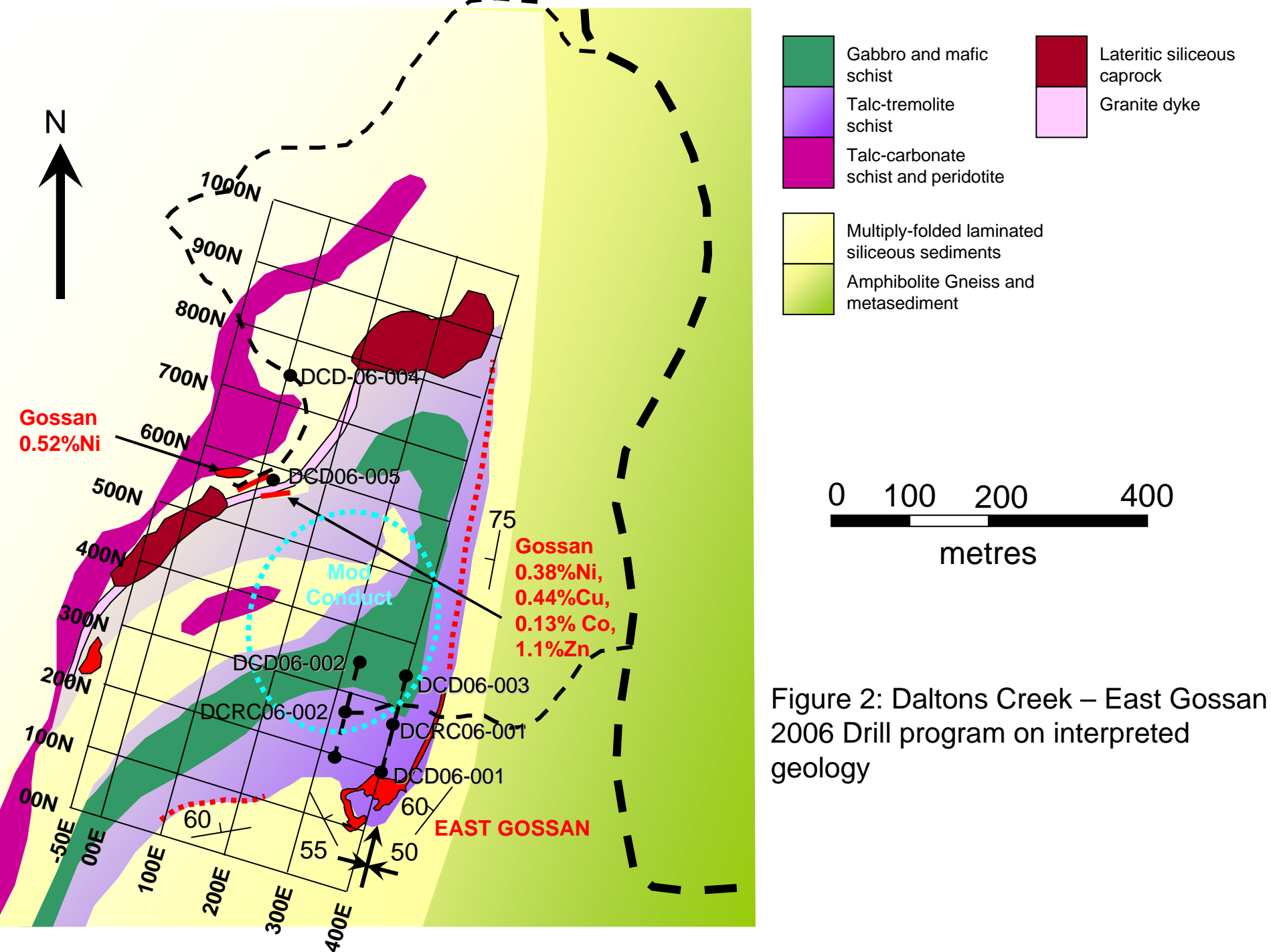


Figure 2: Daltons Creek – East Gossan 2006 Drill program on interpreted geology

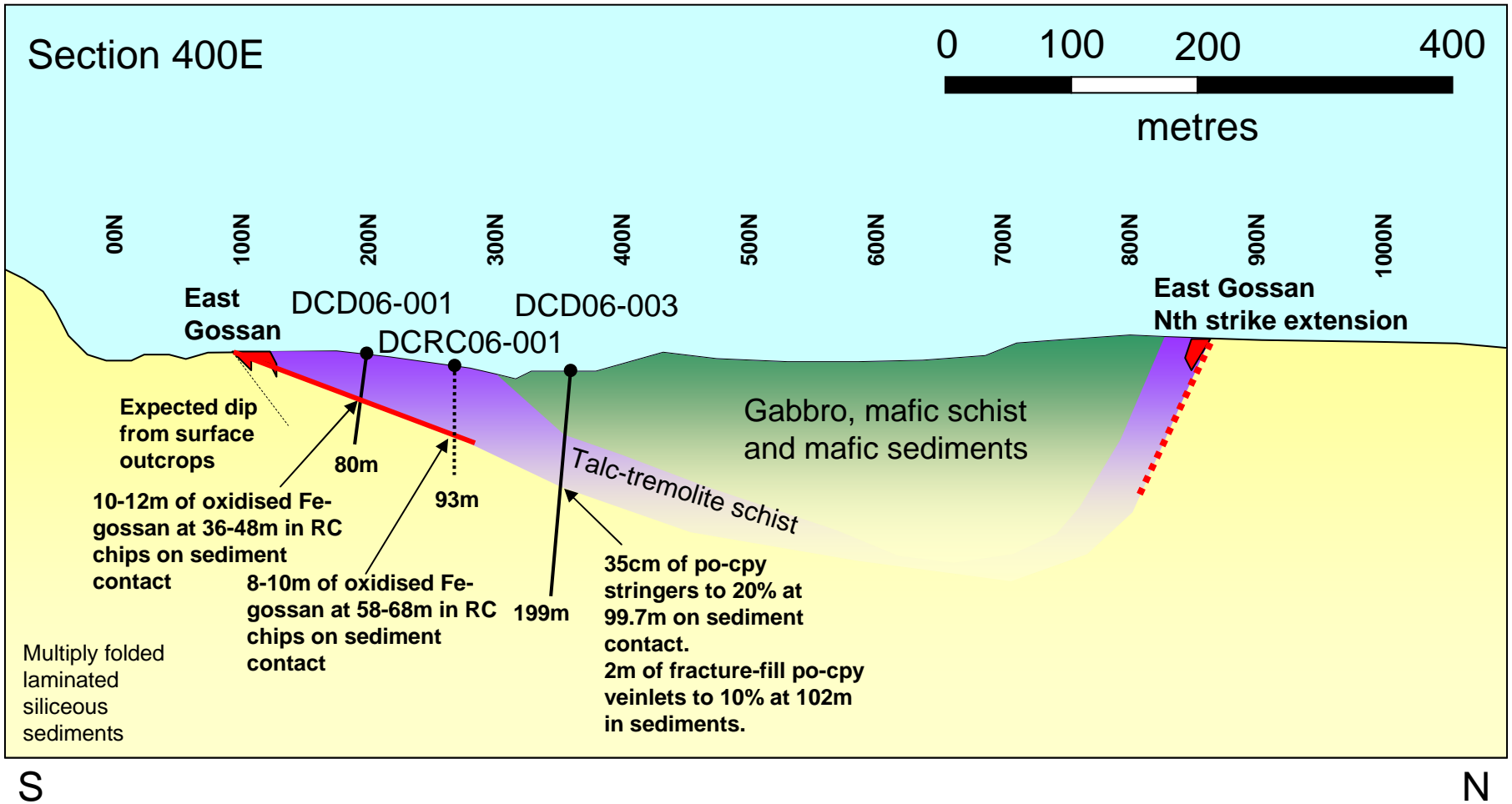


Figure 3: Daltons Creek – East Gossan 2006 Drill program, Section 400E – looking West

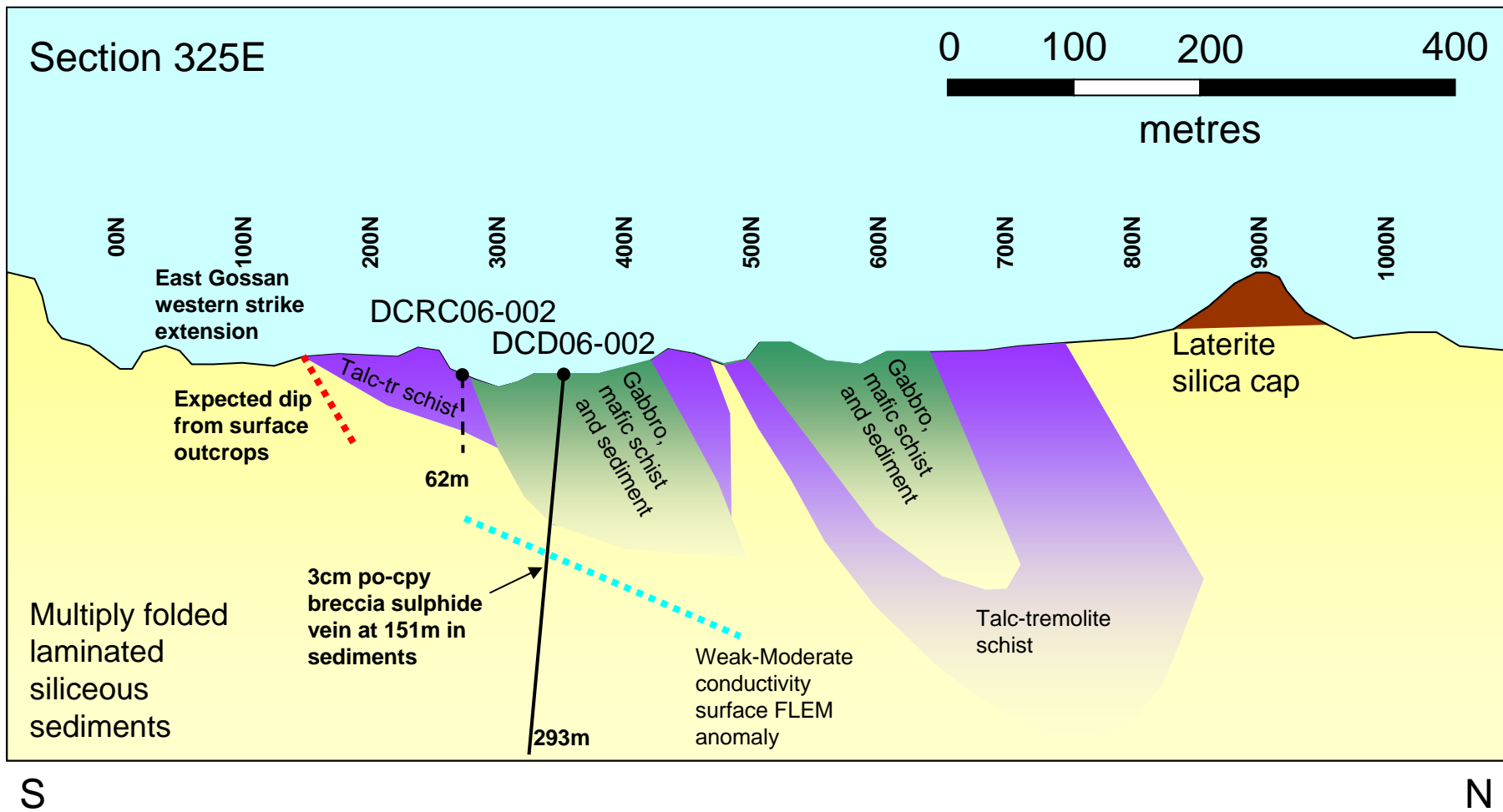


Figure 4: Daltons Creek – East Gossan 2006 Drill program Section 325E – looking West

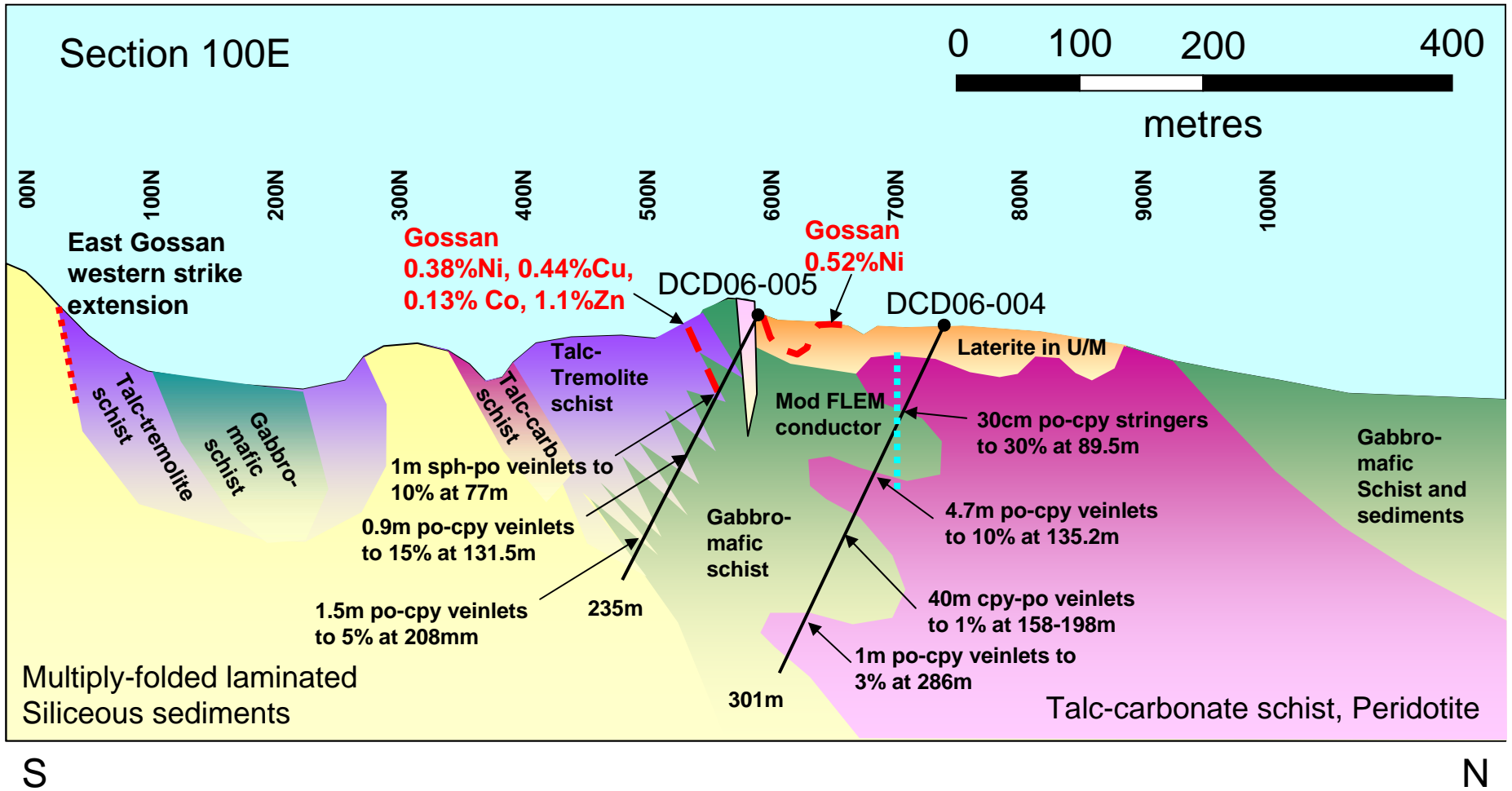


Figure 5: Daltons Creek – East Gossan 2006 Drill program Section 100E – looking West

Figure 6 - Ravenswood District Projects Map
(Reported as Figure 2 in ASX Release)

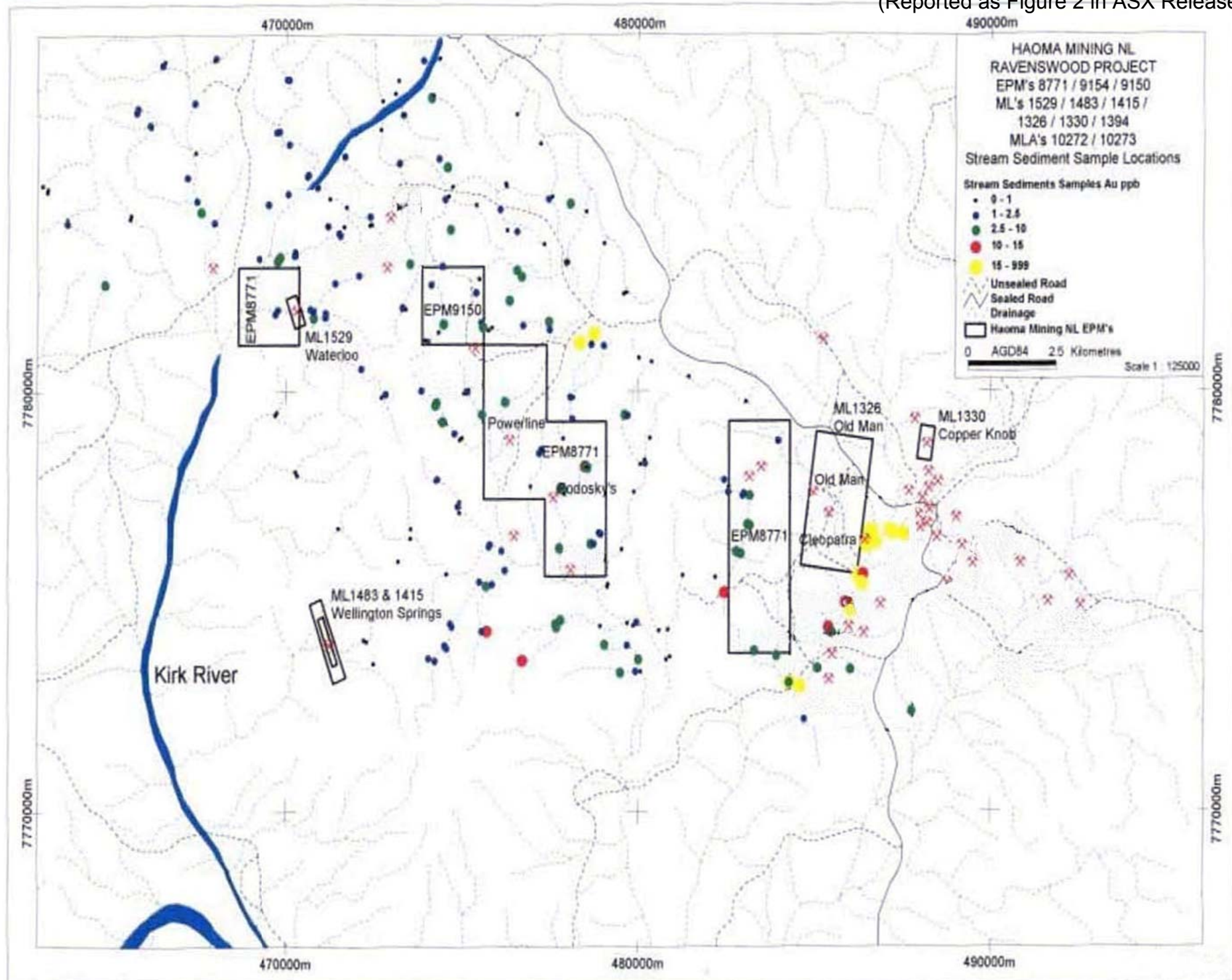
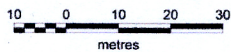
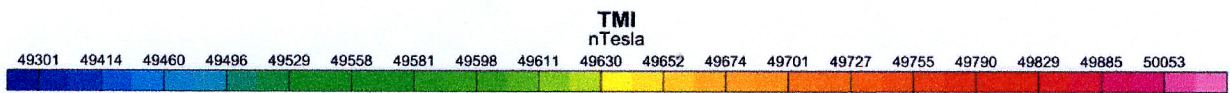
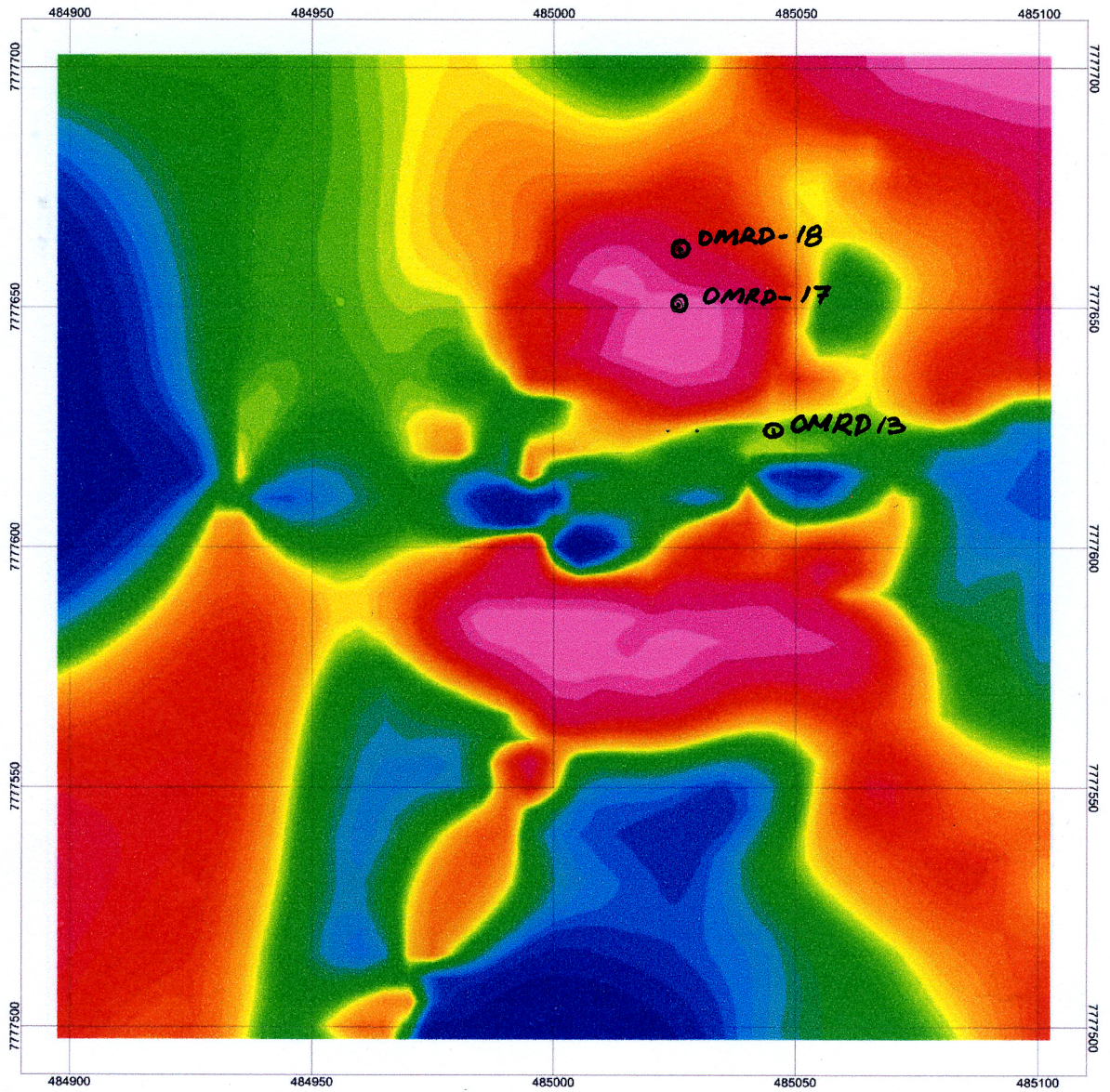


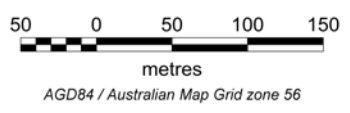
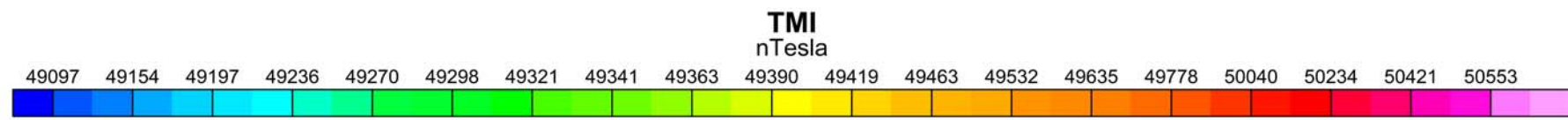
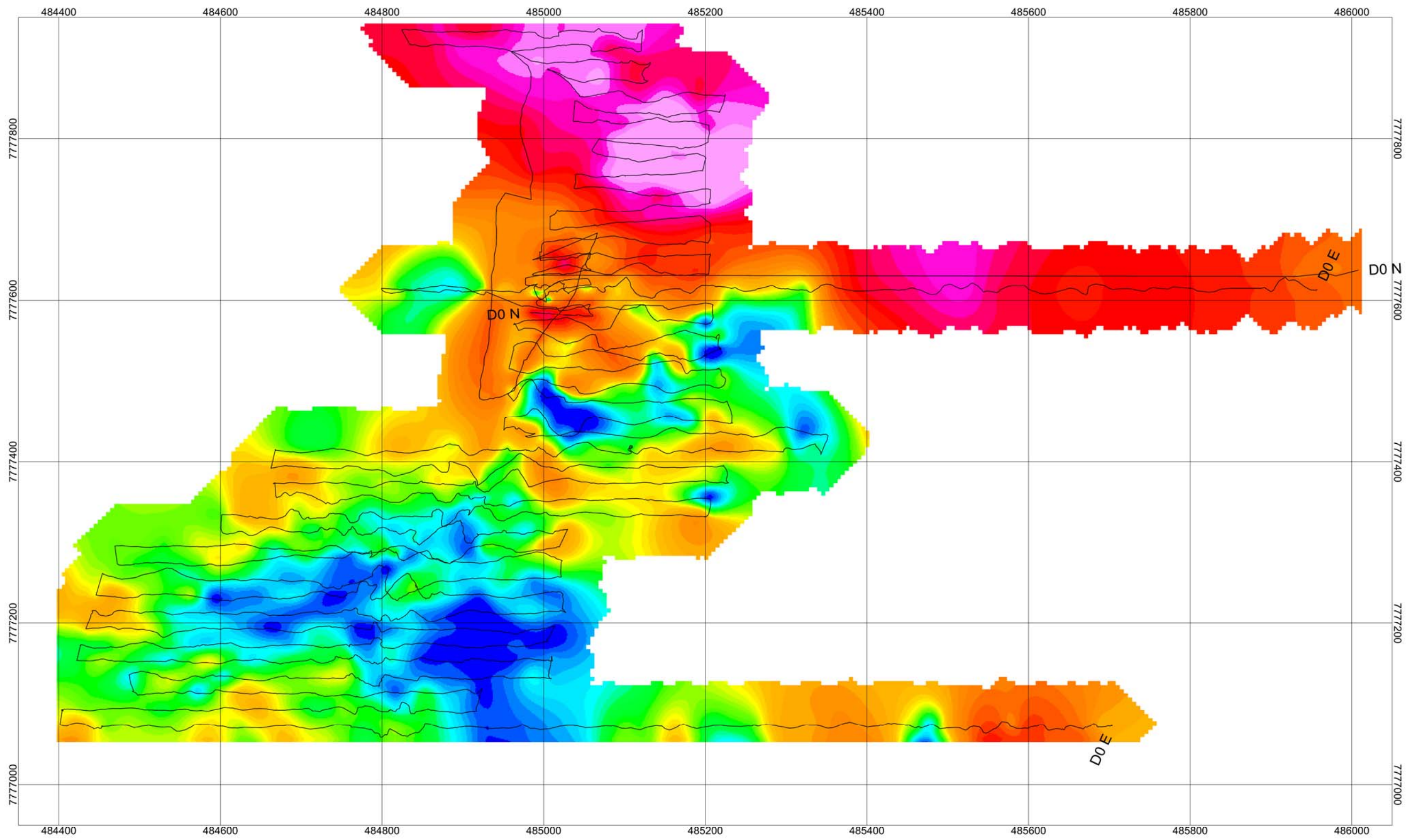
Figure 7 - Old Man Lease Ground Magnetic Survey With Hole Positions
(Reported as Figure 3 in ASX Release)



KITCHENER MINING NL
OLD MAN PROSPECT - ML 1326. Mine Area
Detailed Ground Magnetics. Scale 1:1000



Figure 8 - Ground Magnetic Survey of Old Man Lease for complete area survey
(Reported as Figure 4 in ASX Release)



KITCHENER MINING NL
OLD MAN PROSPECT - ML 1326
Detailed Ground Magnetics. Scale 1:5000

